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NSC BRIEFING

9 November 1954

#### CHINESE OFFSHORE ISLANDS

- I. Bad weather helped keep Tachens situation fairly quiet past week.
  - A. Typhoons no longer factor, however.
- II. In past week Communist planes bombed

  Ichiang, 8 miles NW Tachens; reportedly
  hit Yushans, 30 miles NE Tachens.
  - A. Nationalist planes 2-4 November bombed Communist positions on Toumen, north of Ichiang, but artillery there continues hit Ichiang.
  - B. This first report Communist pressure on Yushan.
- III. Sightings of Communist gunboats and patrol vessels in Tachens area doubled since 1 November.
  - A. No/reports naval clashes past

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- B. Nationalists keeping 7-8 ships in Tachens area.
- IV. Several possible forms Communist action against Tachens.
  - A. Could probably make Tachens
    untenable by sustained air attacks.
  - B. Could take Ichiang, then harass
    Upper and Lower Tachens with
    artillery.
  - C. Could take lesser islands in Tachen defense command--Yushan, Pishan, Nanchi.
  - D. This might panic Nationalists into withdrawal from main islands of group.
- V. In Quemoy area, Communist activity seems largely defensive.
  - A. Artillery duels continue, without much damage.

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B. Only 50,000 Communist troops at Amoy now -- would require 150,000 to invade Quemoys.

VI.

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- B. Could indicate Communist plan-as of 1 November--for early invasion major islands.
- C. Communists remain capable taking any or all offshore islands against Nationalist opposition alone.
- VII. Peiping's plans almost sure to be
  affected by indications of US intentionsboth US naval movements and current
  news stories from Washington.

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- A. These stories say US is negotiating mutual defense pact with Nationalists on understanding Taipei avoid provocative attacks on mainland.
- B. Stories speculate on US policy re offshore islands.
- VIII. In first Communist comment on these stories, Peiping repeated standard line that US is pushing ahead talks for "treaty of military aggression."
  - A. Peiping's comment did not mention offshore islands.
  - IX. Difficult judge whether offshore island situation immediately affected by these stories.
    - A. Communists might conclude US very reluctant become involved.

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- C. They cannot be certain, however,
  US will not intervene.
- D. On balance, seems likely Communists will make further efforts determine whether US bluffing, before attempting invasion of major offshore islands.
- E. While continuing limited military action, possibly including capture some smaller islands,
  Communists expected wait for further news stories, official
  US statements, information from diplomatic sources, leaks from Taipei.

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LATEST DEVELOPMENTS, OFFSHORE ISLANDS

On 8 November Peiping Radio referred to the past -- not current -- presence of U. S. naval forces in Tachen island waters and quoted news agencies as reporting that "U. S. naval strength in the Formosa Straits has increased, with American warships patrolling there day and night."

The Nationalist press is reporting that U. S. naval vessels have formed a "protective net" around the Tachen island group.